GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

UNSTARRED QUESTION NO:1778
ANSWERED ON:08.03.2016
Higher MRP
Sahu Shri Chandu Lal;Tamta Shri Ajay

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether some companies are reportedly printing very high Maximum Retail Price (MRP) on their products thereby circumventing the requirement of MRP;
(b) if so, the details thereof along with the norms for fixing the MRP of various products being sold in the market;
(c) whether there is any limit on production cost/selling price and the extent of profit that can be charged thereon, if so, the details thereof and if not, the reasons therefor;
(d) whether the Government regularly monitors the Maximum Retail Prices of the products being sold in the market so as to protect the interest of the consumers, if so, the details thereof and if not, the reasons therefor; and
(e) the provisions available presently and the action proposed to be taken to check such practices?

Answer

THE MINISTER FOR
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
(SHRI RAM VILAS PASWAN)

(a) to (c) : No Madam, prices of the products and commodities are determined by the market forces. It is not feasible for the Government to fix the cost/sale price (MRP) and the extent of profit of such commodities which are sold through open market competition. Therefore, the Maximum Retail Price (MRP) of such products sold in the country is determined by the Manufacturers/packers/importers themselves. Also is not feasible for the Government to limit the production cost/selling price and the extent of profit that can be charged thereon.

(d) & (e) : Madam, the Legal Metrology (Packaged Commodities) Rules, 2011 have been made under the provisions of Sec. 18 of the Legal Metrology Act, 2009. As per Rule (2) of the said rules provisions are made to prevent the sale of any pre-packaged commodity at a price higher than MRP, which are as follows:

" No retail dealer or other person including manufacturer, packer, importer and wholesale dealer shall make any sale of any commodity in packed form at price exceeding the retail sale price thereof".

Rule 32 of the said Rules provides for compounding amount for selling of products for more than the Maximum Retail Price.

Section 36 of the Legal Metrology Act, 2009 provides for penalty provisions in case of violation of the provisions of the Act and the provisions of the Legal Metrology (Packaged Commodities) Rule, 2011.

Therefore, under the provisions of the Legal Metrology Act, 2009 and the Legal Metrology (Packaged Commodities) Rules, 2011, State Governments are taking action against the manufacturer, packer, importer, wholesale dealer and retailer for selling packaged commodities at the price higher than MRP in various States/UTs, as the enforcement of weights and measures is done by the State Governments.

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